

the insured is liable) as a result of any of the foregoing. The policy is subject to the exclusions set forth therein.

(c) The commercial crime insurance policy may be written for any industrial, commercial, nonprofit, or public property in accordance with the risk classifications set forth in § 83.24 and within the limits of coverage set forth in § 83.22, subject to the applicable requirements of this subchapter, such as the requirement for adequate protective devices set forth in subpart C of part 82 of this chapter.

(d) Certain portions of the materials contained in the sections that follow are based upon the Burglary Insurance Manual issued by the Insurance Services Office, 160 Water Street, New York, NY 10038, and are being reproduced in these regulations and in the related commercial crime insurance manual with the permission of the copyright owner.

[36 FR 24774, Dec. 22, 1971. Redesignated at 44 FR 31177, May 31, 1979, as amended at 52 FR 30686, Aug. 17, 1987]

**§ 83.22 Limits of coverage and number of applications required.**

The Commercial Crime Insurance Policy may be written in amounts not less than \$1,000 and not in excess of \$15,000 for each insured premises. The maximum limit may not be increased

(a) by insuring several departments of a single business or institution at one insurable premises as separate premises, or (b) by establishing separate businesses for different portions of business operations having a common majority ownership which are located at one insurable premises. Each \$1,000 of insurance or fraction thereof shall be charged the applicable rate for the full \$1,000 of insurance coverage. Insurable premises is defined as one premises or portion thereof utilized for the purpose of conducting the business of the insured. Two or more buildings which are adjoining and have a common connecting door or passageway are considered one building and should be included in one application. Multiple rooms or floors within one building are considered one premises and should be specifically enumerated on one application. Physically separate buildings or portions thereof must be

covered on separate applications using the appropriate IRS number, with a different suffix on each application, in order to identify multiple premises of one business. The commercial policy form must be used by a business for residential properties owned or leased by said business, incorporated or otherwise and for model homes. Such risks must meet commercial protective device requirements. If an insured shares a premises with one or more other businesses but there is no physical barrier meeting protective device requirements to separate the business, the insured is entitled to coverage with limitations as described in §§ 82.5(i) and 83.22.

[47 FR 19350, May 5, 1982]

**§ 83.23 Amount of commercial policy deductible.**

(a) The Commercial Crime Insurance Policy for industrial and commercial risks shall be subject to a deductible in the following amounts for each loss occurrence or 5 percent of the gross amount of the loss, whichever is greater, in accordance with the following categories of annual gross receipts (or operating budget, if applicable):

Less than \$299,999 .....	\$250
\$300,000 to \$499,999 .....	350
\$500,000 and above .....	500

(b) The Commercial Crime Insurance Policy for non-profit or public property risks shall be subject to a deductible in the amount of \$250 for each loss occurrence or 5 percent of the amount of loss, whichever is greater.

(c) Higher deductibles, percentage participation clauses and other underwriting devices may be employed by the insurer to meet special problems of insurability.

[47 FR 19351, May 5, 1982, as amended at 49 FR 43472, Oct. 29, 1984]

**§ 83.24 Classification of commercial risks.**

(a) The governing factor in determining the risk classification applicable to a particular premises is the kind of business conducted by the insured at that location. If there are several types of merchandise applicable to the risk,